

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

SECRET/OUTSIDE SYSTEM

INFORMATION

October 1, 1971

State Dept. review completed

ON-FILE NSC RELEASE INSTRUCTIONS  
APPLY

MEMORANDUM FOR MR. KISSINGER

FROM:

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MORI C03321850

SUBJECT:

White House Role in Malta Negotiations

Since the Maltese elections in mid-June, the White House has been following Mintoff's moves and the development of US policy toward Malta on a close and regular basis. There have been several noteworthy instances when the White House has had to intervene to keep US policy on the desired track.

-- Immediately after Mintoff's victory, we revised State's business-as-usual policy guidance message to Embassy Valletta to make it clear that while the US wished to remain on the best of terms with Malta the nature of our future relationship would depend on the course Mintoff chose to follow.

-- NSSM 135 on US Policy Toward Malta was issued in mid-July, triggered by State's instructions to Embassy Valletta to raise the drydocks/ship visit issue with Mintoff on a bilateral basis at the very time when he was attempting through such bilateral arrangements to play NATO nations against each other.

-- During the drafting of the NSSM 135 response, the NSC representative had to insist on the development of options recognizing US interests, including continued NATO presence and future Sixth Fleet visits, at a time when the agencies had decided that Malta was a European problem and our sole interest was in keeping the Soviets out.

-- Following exploratory talks with Mintoff in mid-July, the UK informed NATO members that they would have to help share the financial burden of any new UK agreement with Malta. The White House had to kill State instructions to our NATO representative stating that the US viewed Malta as a European problem, "a concrete test of the Europeans' willingness and ability to take on added security burdens." At White House insistence the instructions were revised to reflect that the US was considering assisting the UK.

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-- The White House arranged for \$5 million [redacted] to be earmarked for the US contribution to the UK(NATO) package if required.

-- In late July/early August, when Mintoff was demanding an immediate and unconditional \$4.8 million quick-fix to solve his immediate financial crisis, the State Department adopted the UK view that there was in fact no crisis. On August 4, the White House instructed State to inform Mintoff that we were prepared to give him the quick fix with the understanding that he would proceed to negotiate in good faith with the UK and to recognize US interests.

While State was able to persuade the White House not to take this step, State responded to White House pressure by undertaking to persuade the UK that a quick fix payment would be required. By the time that the UK had reluctantly agreed, Mintoff, of course, had solved his quick fix problem by accepting cash from Libya, cash paid to him in return for his having ousted NATO from Malta.

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During the Malta negotiations we have had less than complete success in getting State to clear policy-level instructions on Malta with the White House:

-- You will recall that on September 14, Mintoff [redacted] [redacted] to ask what bilateral assistance the US was prepared to offer and to renew his request that you visit him. State, without clearing with the White House, instructed our Charge to do little more than reiterate to Mintoff our interest in Sixth Fleet visits, and not surprisingly this produced a negative reaction from Mintoff.

-- Following the Mintoff-Heath agreement of September 19, State, without White House clearance, let it be known to the British that we are not planning to pay our share of the UK(NATO) cash offer for six months, and that our payment will hinge on successful conclusion of the negotiations. The White House instructed State to inform the UK that we are attaching no new strings to our contribution and that our payment will be forthcoming as soon as we can work out transfer arrangements.

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